

INTERNAL REVENUE SERVICE

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May 23, 2003

Attention: [REDACTED]

Dear [REDACTED]:

This letter is in response to your inquiry dated April 2, 2003, on behalf of your constituent, [REDACTED]. [REDACTED] wrote about deductions for traveling expenses, and he seeks your assistance in changing the policy that travel expenses are not deductible if employment in a single location exceeds 1 year. This 1-year limitation is statutory, and the IRS cannot disregard it. However, I hope the following general information is helpful to you.

The Internal Revenue Code (the Code) provides a deduction for traveling expenses, including meal and lodging expenses, while away from home in the pursuit of a trade or business. The Code also places a 1-year limitation on travel expense deductions for most taxpayers; therefore, a taxpayer is not treated as being temporarily away from home during any period of employment, if it exceeds 1 year.

The 1-year limitation was added by the Energy Policy Act of 1992, Pub. L. No. 102-486. The accompanying conference report states that the amendment "treats a taxpayer's employment away from home in a single location as indefinite rather than temporary if it lasts for one year or more. Thus, no deduction would be permitted for travel expenses paid or incurred in connection with such employment." (H.R. Conf. Rep. No. 1018, 102d Cong., 2d Sess. 430 (1992), 1993-1 C.B. 268, 285).

The IRS Publication 463, *Travel, Entertainment, Gift, and Car Expenses*, which [REDACTED] believes created the 1-year limitation, merely provides guidance for applying this statutory requirement.

I hope this information is helpful. Please call me or [REDACTED], if you have any questions.

Sincerely,
Thomas D. Moffitt
Branch Chief
Office of Associate Chief Counsel
(Income Tax & Accounting)